Demand for Revision of Pay Scales by Employees of GIC

3764. SHRI RAGHAVJI: Will the Minister of FINANCE be pleased to state:

(a) whether employees/officers' unions/Associations of GIC have put forth the demand for revision of their pay scales which are due;

(b) if so, the details of their demands and reaction of Government thereto; and

(c) the time by which a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) to (c) The General Insurance Corportion of India (GIC) have reported that the Charter of Demands for revision of pay and other allowances with effect from 1st August, 1997 was received by them from some of the Unions/Associations. Concrete proposals will be formulated by the GIC and sent to the Government for approval after holding discussions with all their Unions/Associations. The GIC has reported that it will be difficult to indicate any time-frame for finalisation of the proposals at this stage.

Loans to Film Stars by Public Sector Banks

3765. SHRI C.O. POULOSE: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that some film stars have borrowed money from the Public Sector Banks in the name of companies owned by them and have not made the repayment;

(b) if so, the names of the persons who have not paid these loans; and

(c) the steps taken by Government to recover the amount?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) and (b) RBI's Data Monitoring System does not generate the information in the form asked for. Moreover disclosure of information on the individual borrowers of banks is not permissible under Banking Secrecy Laws.

(c) Do not arise.

Cases of Forged Letters of Credit

3766. SHRI C.O. POULOSE: Will the Minister of FINANCE be pleased to state:

(a) whether the cases of forged letters of credit (LOC) have been detected during the last two years by Government in which banks were also involved;

(b) if so, the details of such cases and the amount involved in them; and

(c) the steps Government propose to take to prevent such occurrence in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) to (c) Reserve Bank of India (RBI) have reported that during the last two years, cases of frauds of Rs. 1 crore and above through forged Letters of Credit were reported to RBI by Centurion Bank Ltd., Mumbai, Centurion Bank Ltd, Chandigarh, Times Bank Ltd. Mumbai and Vysya bank Ltd., New Mumbai. The amount involved in these forged Letters of credit was Rs. 27.09 crores.

RBI have advised all the banks regarding the various safeguards to be followed with regard to negotiation of bills under Letters of Credit. The banks have been specifically advised not to negotiate bills non-borrower customers under Letters of Credit. RBI has also issued caution advises in respect of the parties involved. The concerned banks have lodged complaints with the local police.